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World Economic  
Progress *through*  
COOPERATIVE  
TECHNICAL  
ASSISTANCE



*The Point 4 Program*

THE DEPARTMENT OF STATE

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**DEPARTMENT OF STATE**

**Publication 3454**

**Economic Cooperation Series 15**

**Released April 1949**

**Reprinted from the DEPARTMENT OF STATE BULLETIN  
of February 6, February 20, and March 6, 1949**

**DIVISION OF PUBLICATIONS  
OFFICE OF PUBLIC AFFAIRS**

**U. S. GOVERNMENT PRINTING OFFICE: 1949**

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**For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.  
Price 10 cents**

## World Economic Progress Through Cooperative Technical Assistance: The "Point 4" Program

### REMARKS BY DEAN ACHESON, SECRETARY OF STATE<sup>1</sup>

First of all, I hope that you all understand the setting of "Point 4" in the President's inaugural address.<sup>2</sup> It was one of four major courses of action which the President said would be carried out by his administration over the next four years for the purpose of achieving the great objective which he talked about mainly in that address. That objective was to make clear in our own country and to all the world the purpose of American life and the purpose of the American system. That purpose is to enable the individual to attain the freedom and dignity, the fullness of life, which should be the purpose of all government and of all life on this earth except in so far as it may be a preparation for some other life.

The President went on to point out that the other theory—of the place of the individual in society—was not a modern theory, was not a radical or a new view, but was reactionary in the extreme. It is a view which goes back to the period before the Renaissance. It is a view which is founded on the basic idea that status is the governing factor in life, that every person is born into the world in a position, and that that person becomes a mere cog in a machine. That is a basically reactionary attitude and philosophy. It is not, as I say, modern. It is an attempt to crawl back into the cocoon of history. The American view of life is one which flows directly from the Renaissance and is one which says that the worth and dignity and freedom of the individual are the objectives of government.

Then the President went on to point out courses of action which we were going to take over the next four years to try to bring about that purpose of life, not only in this country, but in any other country which wished our help and association in that effort. To me the essential thing about it is that it is the use of material means to a non-material end. It is not that we believe that other

people need or wish things for their own purpose merely to have these material objects. It is not that material objects in and of themselves make a better or fuller life; but they are the means by which people can obtain freedom, not only freedom from the pressure of those other human beings who would restrict their freedom, but help in the ancient struggle of man to earn his living and get his bread from the soil. That is the purpose; that is the objective of this program.

Now, the President was not announcing a project to be completed within a few weeks or months. He was announcing in this, as in the other three respects, a long program for his administration. It was a program on which much has been done in the past and on which more can be done in the future. The President pointed out that the United States has no monopoly of skills or techniques. Other countries have vast reservoirs of skill. In almost every country there is some nucleus of skill, some group of people whose technical abilities can be expanded with help from the outside. With all of those people, the President stated, we wish to work. He particularly stated that we wished to work through the United Nations and all those affiliated organizations which are associated with it. He pointed out that in so far as his program is successful and in so far as peoples in less developed areas acquire skills, they may also create the conditions under which capital may flow into those countries. He did not say this was to be governmental capital; and, indeed, if the proper conditions are created, the reservoirs of private capital are very great indeed. He pointed out that these must be two-way operations. There is abroad in the world an idea that there is

<sup>1</sup> Made extemporaneously at the Secretary's press conference on Jan. 26, 1949, concerning the President's inaugural address.

<sup>2</sup> *Department of State Bulletin* of Jan. 30, 1949, p. 123.

Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas.

For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people.

The United States is pre-eminent among nations in the development of industrial and scientific techniques. The material resources which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible.

I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development.

Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable. It must be a world-wide effort for the achievement of peace, plenty, and freedom.

With the cooperation of business, private capital, agriculture, and labor in this country, this program can greatly increase the industrial activity in other nations and can raise substantially their standards of living.

Such new economic developments must be devised and controlled to benefit the peoples of the areas in which they are established. Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labor go into these developments.

The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair-dealing.

All countries, including our own, will greatly benefit from a constructive program for the better use of the world's human and natural resources. Experience shows that our commerce with other countries expands as they progress industrially and economically.

Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.

Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people.

Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action, not only against their human oppressors, but also against their ancient enemies—hunger, misery, and despair.

—Excerpt from President Truman's inaugural address, Jan. 20, 1949.

a magic in investment. There is an idea that if every country can only have a steel mill, then all is well. There is a failure to understand that it is a long and difficult process to develop the skills which are necessary to operate many of these plants. There is sometimes failure to understand that plants should be located where the natural resources exist and not on purely nationalistic bases. There is also in many places a failure to understand that unless the conditions are created by which investors may fairly put their money into that country, then there is a great impediment to development. It is no solution to say: "Well, the private investors won't do it. Therefore, governments must." So he pointed out that it must be a two-way street.

Now, as I say, much has been done in the past to try to make technological skill and advice available from the United States and from other countries, through the United Nations and through many of its organizations. All of those efforts can be brought together and intensified. The President pointed out that we are willing and anxious to work with every country that wishes to really enter into a cooperative system with the rest of the world to this end and with every country that wishes to help other countries to develop.

Now, that is the broad background of the inaugural address. I have talked at some length about this because it seems to me important that it be put in its setting of American foreign policy.

## STATEMENT BY WILLARD L. THORP, ASSISTANT SECRETARY OF STATE<sup>1</sup>

As a process, economic development has been going on for centuries. It was an early subject for United Nations discussions, at Hot Springs, at Bretton Woods, and at San Francisco when the Charter was born. We in the Economic and Social Council have had the question before us since our first meeting, and we devoted particular attention to it during 1948. The Economic and Employment Commission, the Sub-Commission on Economic Development, the regional commissions, and a number of the specialized agencies have discussed it urgently at considerable length. Already, helpful experience has been accumulated by the United Nations and the specialized agencies in connection with various specific projects. Resolutions and recommendations previously adopted contain valuable ideas and suggestions concerning the central problems of economic development, some of its specific aspects, and the possibilities for constructive action.

Economic development was the keynote of the discussions in the Second Committee of the General Assembly in Paris a few months ago. It was obvious that many delegations were greatly concerned with increasing the effectiveness of the United Nations in this field. As a result, two resolutions were adopted by the General Assembly. One, growing out of the general debate in the Committee, recommended that the Economic and Social Council and the specialized agencies give urgent consideration to the whole problem of the economic development of underdeveloped countries in all of its aspects. The other, proposed by Chile, Peru, Egypt, and Burma, expanded the United Nations program of technical assistance.

Few subjects which come before this Council excite the imagination more than economic development. To many, these words signify economic progress, more of the better things of life for more people, fuller and richer lives, social betterment. These words capture the imagination of people

<sup>1</sup> Made before the Economic and Social Council in New York, N.Y., on Feb. 25, 1949.

everywhere, in the most developed industrial countries as well as in those less developed or only partially developed.

Our immediate task is not the contemplation of goals but the more prosaic discussion of means. What we have to consider here is, in the language of the Charter, how to promote, through joint and separate action, the conditions of economic and social progress and development. Economic development cannot be given to, nor can it be imposed upon, a country by international cooperation. But there are practical forms of international cooperation which can facilitate the process. This was the realistic approach of President Truman in his inaugural address a month ago.

Economic development, according to this concept, involves the production of more food, more clothing, and more mechanical power to lighten people's burdens. It involves a better use of the world's human and natural resources. Looked at in the large, economic development means the continuous improvement and utilization of the resources and productive capacities of a people for the benefit of the people. It applies to farms as well as to factories. It applies to intellectual advancement as well as physical health. It applies to habits of work and habits of leisure, to the saving of capital and to its provident investment.

The concept of economic development applies equally to independent states and to dependent territories, which latter category includes the 10 trust territories and 62 other non-self-governing territories, where lives one out of every ten persons in the world today.

There are no stereotyped patterns of economic development applicable to all, or even to many countries. Different countries have different needs and different possibilities. Development must take into account and, so far as possible, be adapted to local resources, attitudes, social and legal structures, customs, and practices. In the poorer and less developed areas a basic improve-

ment in health, literacy, and vocational skills may well be prerequisite to increased production and improved standards of living. It is also likely that, in many of the less developed areas, agriculture, rural and small-scale industry, and transportation may stand in most need of improvement. For the somewhat further developed areas, priorities are likely to be quite different, with emphasis on improvement in the functioning of government and increases in industrial productivity.

Economic development is not limited to industrialization—industrialization in the narrow sense of manufacturing. Surely, the development of manufacturing enterprises is generally a necessary part of economic development, but it is not the whole, and often not the most important element. Economic development embraces advances in agriculture, mining, transportation, communications, power, and in the skills and capacities of the people. It requires the expansion of the distribution system and the full machinery required for the exchange of goods. All these economic activities are mutually reinforcing elements in the process of development, but they are also competing claimants for the limited resources at hand, particularly labor and capital. For any given country the wisest apportionment of scarce resources among these elements varies, of course, with time and circumstance.

It is not true that countries can be sharply divided into two categories, those which are "inherently" manufacturing countries and those which are "inherently" raw-material producing. If standards of living in the world are to be substantially increased, it will be necessary to have a widespread development of manufacturing. The older industrial countries could not, even with their large industrial potential and under conditions of continuous full employment, supply all the manufactures the whole world needs through the channels of international trade. The League of Nations' study, *Industrialization and Foreign Trade*, made this quite clear. In the years 1926-29, two thirds of the world's population enjoyed an annual average supply of finished factory goods of less than \$7 per capita, while one third of the world's population enjoyed an annual average of \$104 per capita. If, during this same period, the less fortunate two thirds of the world's population were to have enjoyed a

supply of manufactures equal to one half the value of that enjoyed by the more fortunate third, or \$52 per capita per year, without increasing their own production, their imports of manufactured goods would have had to be increased 16 times. This would have been equal to twice the annual value of all goods entering into world trade.

It is clear that if these peoples are to enjoy a greatly increased supply of manufactures, if their standards of living are to be augmented beyond the bare necessities of life, the world's manufacturing capacity will have to be greatly expanded. Such a growth of manufacturing, which necessarily will be gradual, will inevitably mean a much wider geographic distribution of industry. One cannot assume that the specialization which exists today among countries is the permanent pattern. It may be a fairly rational pattern in the light of present cost relationships, but it may not be so in the light of future costs, or future markets, or of potential discoveries of new resources and developments of new techniques. The world is still young in the exploration of the resources with which Nature has endowed it, and of the ways in which these resources can be utilized. Many a country which thinks itself poor in resources may find that by taking stock of what it has it will discover capacities now unknown. Every country needs not only resources but also resourcefulness, and in many an instance it is the resourcefulness of a people that creates a new resource.

The domestic problems of the economic development of a country are numerous and difficult. They may involve basic changes in the economic, political, and social institutions and habits. Most of the things that need to be done and that can be done are either wholly or mainly within the control of the individual country and its people.

The habits and attitudes that have fostered economic development have been those of work, saving, and venturesomeness and adaptability. The need for work extends to all groups. The working, self-disciplined business manager is as important to the expansion of production as the self-discipline and hard work of the farmer and laborer. Saving is the basis for capital accumulation. It can take place whenever people have hope and confidence in the future of themselves and their country. Venturesomeness is perhaps

the most difficult of all new habits to acquire: the farmer must be willing to abandon the habits of father and grandfather and use new methods that appear to him to involve risk and danger. Domestic capital must be ventured in new industry at home rather than put into real estate or into strongboxes abroad. Wealth must be put into productive enterprise rather than hoarded in jewels and gold. There must also be adaptability to changing concepts. Old forms of status and caste, archaic systems of land tenure, and resistance to science and technology may be holding back economic development.

In addition to habits and attitudes, economic development depends upon the normally unspectacular functions of government. They are an essential part of any program for economic progress: the establishment of internal order, security, and justice; the creation of money, credit, and fiscal systems; the development of basic systems of communications and transportation; the spread of literacy and higher learning in the arts and sciences; the provision of basic health and social services; the assessment and protection of natural resources.

No country that aspires to economic development can say that it cannot afford these duties of government. It cannot afford not to educate its children. It cannot afford not to conserve the health of its people. It cannot afford not to conserve the fertility of its soil. It cannot afford not to give aid and encouragement to art and science. It is the function of governments aspiring to economic development to establish and maintain the institutions which enable their citizens to become resourceful.

The bulk of the capital for economic development has to come from the people themselves. There are important reasons for this. In the first place, the amount of funds that can conceivably be made available for foreign investment will fall very far short of the world's capacity to use capital. Larger amounts of capital have been moving across borders since the end of World War II than at any time in the past, but the demands far exceed the supply. Secondly, a country which imported too large a proportion of its capital would be faced for a long time with heavier carrying charges than it can readily meet in foreign exchange. Many industrialized countries including

the United States have been developed in part by foreign capital, but in every case, the bulk of their capital investment is the result of their own savings. These considerations underline the importance for a government to create a climate and devise institutions which will stimulate and mobilize domestic savings, and will channel these savings into productive investment.

The maintenance of the value of the national currency is a normal function of government, but the process of rapid economic development accentuates the problem of internal inflation and external imbalance. Governments must develop machinery to cope with these problems or risk the dissipation of their development of programs.

If national resources are to be more fully developed, there must be a broad market and continuous communication established between village and town, country and city. The absence of an adequate system of transportation and communications is in many underdeveloped countries the principal bottleneck to advancement. The absence of adequate power facilities may similarly be a significant obstacle to economic progress. The benefits of transport and power facilities are widely diffused throughout the whole economy. Governments therefore have the responsibility for promoting the development of these key public services.

Those are some of the unspectacular functions of government, but they are basic, indispensable ingredients to economic development. To perform these unspectacular functions well requires, in many countries, spectacular changes in the attitude toward government and the habits of government personnel. Government cannot be a haven for younger sons, or an avenue for personal enrichment, or a private arsenal for military cliques. Effective government requires continuity of effort by personnel trained in the art of administration, devoted to the public service, and scrupulous of the public welfare.

All this has been succinctly stated as a basic principle in the first report by the Sub-Commission on Economic Development, as follows:

"National development must be based primarily on national resources and must come largely from the effort of the people concerned."

This must be fully understood. The bulk of the effort, the drive, the organization, the plan-

ning, and much of the financing must come from the people themselves and from their own governments.

Economic development can also be accelerated through international action and cooperation. The freeing of international trade in goods and services from restrictions and discriminations makes possible the expansion of the exchange of the products of the less developed countries for the capital goods needed for development. International migration has been and can still be an important means for bringing skills and needed man power to less developed areas. The exchange of ideas in the scientific and cultural fields, as well as of information generally, may be in the long run the greatest leavener of economic development. The United Nations has not been idle in these fields, as witness the Habana Charter for an International Trade Organization and the General Agreement on Tariffs and Trade, the activities of the International Labor Organization and the International Refugee Organization, and the forthcoming Conference on the Conservation and Utilization of Resources.

However, the two international factors in economic development which I wish to stress are international flows of capital and international flows of technology.

The receipt of capital from abroad enables countries to acquire more goods and services from abroad than they can pay for with current exports. Irrespective of its source, whether from the proceeds of foreign borrowing or other advances, or from the accumulations arising from past exports, such capital serves to finance the excess foreign requirements of an expanding economy.

All of us are aware of the mistakes that have been made in the past in the use of such capital, not just mistakes of judgment, but improvidence and wastefulness that has actually brought impoverishment rather than enrichment. Both governments and private investors shared in these mistakes in the past. Fortunately, individuals as well as governments now are wiser and more responsible.

American policy does not countenance use of capital investment abroad for the purpose of exploitation. As President Truman said: "The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a pro-

gram of development based on the concepts of democratic fair-dealing."

The United States has been supplying capital funds to many countries in recent years—through international organizations such as the International Bank for Reconstruction and Development, through government agencies, and through private channels. The American economic system is predominantly a private enterprise system and as a result investment, even in many publicly owned projects, is principally the function of the private capital market, subject to limited public controls and aids. We consider it natural, and desirable, to look to these same private sources to service the foreign field as well. Yet, though gross domestic private investment amounted to 38.8 billion dollars in the United States in 1948, private foreign investment amounted to only 9 billion dollars. Nearly all this amount took the form of direct investment abroad by American enterprisers who were expanding or starting operations in other countries. In light of our present discussion, it is worthy of note that this form of capital flow has certain advantages, since it carries along with the capital a flow of experience and technical knowledge.

The need for a substantial international flow of capital was recognized in the new postwar international machinery. The International Bank for Reconstruction and Development was established to provide an international agency which would gather capital in various markets of the world and facilitate the putting of this capital to work in areas needing such capital. We feel that the Bank has demonstrated that it can perform a useful function and that it has not yet realized its full potentialities.

It seems necessary to find still other means of encouraging the movement of capital from one country to another. President Truman recognized this need when he said that "in cooperation with other nations, we should foster capital investment in areas needing development." For centuries, capital moved in substantial amounts across international boundaries. There was only one requirement—that both the supplier and the recipient must agree. Today, there appear to be many barriers to the flow of private capital in considerable quantities. The suggestion made by the President is that some way be found whereby

sufficient assurances be given so that the existing obstacles will be removed.

The importance of this problem and the possibility of its solution are closely related to the development of increased technical cooperation. I now turn, therefore, to my second main point, the international flow of technology, or, as it has been called in the United Nations, technical assistance.

I have already emphasized that the process of development involves a better use of the world's resources. This may require capital, but it always requires something more—the knowledge needed to put resources to work. Economic development inevitably involves the use of better techniques in agriculture, health, and education. Progress in industry, transport, communications, and other aspects of a modern economy can only come from the application of modern skills and technology. I also emphasized that the primary requirements for development were institutions necessary to create conditions for expanded production and capital accumulation.

The clear conclusion is that technical cooperation is a basic type of outside assistance whereby the underdeveloped countries can be aided in their progress toward a better economic life. To meet this objective the concept of technical cooperation must be broad in substance and in method.

It embraces such varied activities as training in administration, in industry, and in agriculture; health programs, broad technical missions, and the dispatch of individual experts; experiment stations; training fellowships and local technical training institutes; dissemination of information through conferences, seminars, and publications; provision of laboratory material; demonstration services and equipment; basic and vocational education; advice concerning particular industrial and agricultural projects; the improvement of fiscal systems; resource surveys and general assessment of development potentialities; analysis of methods of production, marketing, and management; consultation on measures to combat inflation or to provide for displaced workers; and advice on steps designed to mobilize domestic savings for constructive investment.

The process of technical cooperation and interchange has taken place in the past along many channels and through many types of institutions. Immigrants have carried skills from one area to

another. Private enterprises have operated in other countries. Engineers and advisers have been employed abroad. Great humanitarian enterprises like the Rockefeller Foundation have carried knowledge to many areas. Professional persons have traveled widely, and technical publications have distributed internationally the results of individual scientific discovery. Foreign assistance has supported schools, colleges, and hospitals.

Many of these same channels can be further developed and expanded. So far as the United States is concerned, we feel that every form and type of technical cooperation should be encouraged. Similarly, at the level of intergovernmental cooperation, the most appropriate method should be used, whether bilateral or multilateral.

Here is a field in which genuine international cooperation can expand and flourish. No country has a monopoly of skills, knowledge, or available personnel. Certainly the United States has no such monopoly. The amount of technical assistance will begin to approximate the need only if all nations contribute to the joint effort.

There should be no simple division of suppliers and receivers of technical assistance, for often one underdeveloped area will be in a position to furnish useful assistance to still less developed areas. In fact, technical cooperation can be reciprocal and mutually advantageous. It is an enterprise to which all can contribute and from which all may benefit. Technical cooperation is the direct opposite of imperialism. Its aim is the development of intellectual and physical self-reliance, and the conditions of basic economic strength which enable underdeveloped countries to resist foreign dominance or to cast off oppressive economic ties, if such there are.

There is today a widespread demand in the United Nations and the specialized agencies for increased programs in the field of technical cooperation. We all realize of course that the programs and budgets of these organizations are fixed for the current year, and it is obvious that there will be need for planning of such expanded programs and perhaps revision of operating and administrative procedures. Many countries are involved, and it will take time if the program is to be developed on the basis of genuine international cooperation. Obviously the program must have

multilateral support and participation. It is clearly our hope that there will be general agreement to lift the process of technical cooperation to a new dimension.

For its part the United States is about to embark upon a broad program in the field of technical cooperation in aid of economic development. As an essential part of this program, the United States is prepared to work with other countries, through the United Nations and the specialized agencies whenever practicable, in bringing about an expansion of activities in this field.

In order to crystallize discussion in the Council, the United States is submitting a resolution incorporating three proposals.

First, I suggest that the Secretary-General, working through the Administrative Committee on Coordination so that all interested specialized agencies can participate, be asked to prepare, for consideration by the Council at its Ninth Session, a concrete program for enlarging the activities of the United Nations and the specialized agencies in the field of technical assistance for economic development. The report should also bring to the attention of the Council important problems such as the availability of competent experts and suggestions as to possible priorities among types of projects. In order to avoid overlapping, consultation should be held with the Organization of American States and with those countries or groups of countries which are already carrying on substantial programs in this field.

Second, I suggest that the report cover ways and means for arranging for financial expansion in connection with such projects. The regular budget contributions are based on a fixed percentage. We would hope that there could be some expansion in the regular budget for this type of

activity. However, and beyond that, consideration should be given to the establishment of special projects budgets which would permit special contributions for purposes of technical cooperation within the United Nations or within the United Nations and the specialized agencies. It is possible that many countries might make their contribution in the form of goods, services, and local currency. In order to safeguard the cooperative nature of the enterprise and the international character of the organization sponsoring it, no one country should be expected to assume all or most of the financial burden of the expanded program.

Third, I suggest that the report also include recommendations for the coordination of planning, execution, and control in this field. I have already stressed the importance of concurrent projects. Obviously, there must be some method of assuring comprehensive and coordinated planning and action among the various agencies concerned in carrying out technical assistance programs.

It will be for the Ninth Session of our Council to review the documentation to be submitted and, I hope, to formulate recommendations for decisive action by the General Assembly and the specialized agencies.

The timetable for the attainment of these objectives of economic development is measured in decades, not in years. The reorientation of the way of life of millions of people can come only gradually. However, with a bold new program of technical cooperation the United Nations can hasten significantly economic development.

There is needless suffering in the world today and discontent and unrest which spring from it. The time is now to embark upon a program which will raise the spirits of men and give them new hope.

**ARTICLE BY RUTH S. DONAHUE, SPECIAL ASSISTANT TO THE ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS**

Wide interest and speculation resulted from "point four" of the President's inaugural address which said that "we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." Commenting further on this point he stated that the material resources which we can afford to use for the assistance of other peoples are limited, but that our imponderable resources in technical knowledge are constantly growing and are inexhaustible. He invited other countries to pool their technological resources in this undertaking, emphasizing that the facilities of the U.N. and its specialized agencies should be used whenever practicable. He said the United States and other nations should foster capital investment in areas needing development, and added that "Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labor go into these developments." His reference to guarantees meant assurances by foreign governments.

The President asked the Secretary of State to confer with other agencies in outlining an approach to the program. Within the Department the work is being headed by Assistant Secretary Thorp. The first general interdepartmental consultations have been held by the Executive Committee on Economic Foreign Policy, augmented by representatives of all additional agencies with a major interest in the program. An interdepartmental steering committee of eight agencies and departments has been set up, under Mr. Thorp's chairmanship, to work on the development of this program.

In later press interviews the President and Secretary Acheson made further comments on the plan. The President pointed out that it is a long-term project. Mr. Acheson stated that the program is in line with the American objective of enabling the individual to attain freedom and dignity and fullness of life. He emphasized that it is a program on which much has been done in the

past and on which much more can be done in the future. On the matter of government capital, about which so much speculation instantly took place, Mr. Acheson made it clear that the emphasis would be on U.S. "skills" rather than on government funds. He pointed out that the President did not say this was to be effected with governmental capital and added that, if the proper conditions are created, the reservoirs of private capital that may be tapped are very great indeed. This ties in with the President's mention of guarantees by foreign governments. It is recognized that technical assistance cannot reach its maximum effectiveness before it is supplemented by a flow of capital.

The Department of State has been aware of an increasing manifestation by peoples all over the world of their desire to improve their economic conditions by the use of more American technical knowledge. The ECA has increasingly found lack of technical competence a bottleneck of economic rehabilitation. It has, under present legislation, a \$6,000,000 provision for technical assistance and is requesting more funds for this purpose in the coming year. The Department of State provides policy guidance for two major programs of bilateral technical assistance, although they are operating within limited budgets. The Institute of Inter-American Affairs (IIAA), a government corporation, works cooperatively with Latin American countries in agriculture, health and sanitation, and education. The Interdepartmental Committee on Scientific and Cultural Cooperation (SCC), composed of other government agencies, carries on cooperative technical assistance projects in the basic social and economic fields of government administration. In addition, the Department of State administers the Philippine Rehabilitation Program, and the Department of the Army conducts technical assistance programs in occupied areas. The advice of American technicians frequently precedes Export-Import Bank loans. At a recent General Assembly meeting in Paris there was evidenced a great interest in technical assist-

ance, and about \$288,000 was appropriated for surveys and other assistance.

The Institute of Inter-American Affairs was chartered by Congress as a wholly owned government corporation in August 1947, for the purpose of strengthening friendship and understanding among the peoples of the American republics through collaborating with the governments of the other republics on "technical" programs and projects in public health, sanitation, agriculture, education, and related fields. It was authorized through the fiscal year 1950 and, unless new legislation is enacted, it will be required to terminate its activities after that time. IIAA programs are carried out through funds provided both by the United States and the local governments, with the local governments' contribution far outweighing United States funds. The result has been a program which our Ambassadors in Latin America enthusiastically endorse and which is administered in a nonpolitical manner and has survived the many recent political changes in Latin America.

Health and sanitation projects have been undertaken in 18 of the other American republics—all but Argentina and Cuba. It is now active in 14, withdrawal from 4 having been necessitated by a shortage of funds. Health centers have been placed in operation; hospitals and a tuberculosis sanatorium constructed; schools of hygiene, nurses' homes, nursing schools, laboratories, dispensaries, and clinics established. It is estimated that these activities have benefited over 23 million people, or one out of every six Latin Americans. The health program in the field now numbers only 127 U.S. employees, including physicians, engineers, and nurses. They are working with 8,573 nationals of the cooperating republics. Approximately 1,200 fellowships for study in the United States have been made available, and more than 7,500 people were trained in Latin America through in-service training in these programs.

The IIAA educational program has concentrated its activities in the field of elementary education, secondary education, and vocational training. In each of these fields, the central activity has been the training of teachers. In the past six years cooperative programs have been in effect at various times in 14 countries and are now in operation in 7. The elementary education program deals principally with rural education, the central theme being the "community-centered" school, and a system

whereby a group of 10 to 20 schools in a given area are grouped about a central school, from which emanate the services of supervision and administration. In secondary education, IIAA has aided in adjusting academic curriculums to meet the needs both of students who prepare for university and of those who will not continue beyond the secondary school. The vocational programs differ from country to country and include basic crafts training for trades.

The IIAA has not had the funds to cooperate on an agricultural program in each of the republics, and cooperative agricultural programs have been maintained at various times in only 10 of the republics and are today operating in only 4—Peru, Paraguay, Haiti, and Costa Rica. However, the program in Peru reveals clearly what can be done. An agricultural extension service has been introduced on a country-wide basis stressing modern techniques. Agricultural machinery pools have been established; and seeds, fruit trees, and insecticides distributed. A general livestock project is aimed at alleviating the meat shortage and irrigation systems are being constructed.

The Interdepartmental Committee on Scientific and Cultural Cooperation was created by the President in 1938. Its program, which is long-range, calls for cooperative action through exchanges of information, skills, and knowledge which will assist in the intellectual growth, in the spread of information and techniques, in the handling of economic and social problems, and in the increase of understanding among people. Its authority, initially for operation only in the other American republics, was subsequently made world-wide. The projects undertaken are of mutual interest to the United States and other countries; the need for them is jointly assessed; terms of agreement jointly negotiated; each government contributes to the maintenance of the work and the benefits are of mutual advantage.

The fields to which this aid is extended are many. The Department of Agriculture administers one of the largest programs, which calls for development of crops complementary to the U.S. economy through cooperative agricultural stations and extension and training activities. Agricultural research is performed at field stations, local technicians are trained, and youth and adult agricultural education programs are carried on. A sizable program is conducted by the Civil Aero-

nautics Administration. Experts are lent to consult and work with aviation officials in other countries in promoting uniform aviation standards, encouraging the provision of suitable facilities for air carriers, developing safety regulations, stimulating use of new technical instruments and equipment, and developing data applicable to hemisphere defense. Cooperative weather investigations have been undertaken in some countries, and a number of tide stations have been established so that predictions are now made of tides in these ports, and data exist for charting and engineering use. Likewise, magnetic and seismological observations are made under one of the programs of the Interdepartmental Committee. Technical assistance is provided in the development, conservation and management of fishery resources, and surveys are being made of migratory-bird resources. Geological investigations, mining, metallurgy, and transportation are other fields where projects are in operation.

In the social field, cooperation is given in child welfare, labor standards, vital statistics, public health, and social security. A library exchange is another feature of the cooperative program, while educational and economic research programs and anthropology are other facets of the work.

Technicians and experts are loaned for various projects. Financial grants-in-aid are provided to enable professors, specialists, and graduate students to exchange professional visits for work and study in educational, governmental, and private institutions.

In April 1946 the President signed the Philippine Rehabilitation Act. Training of Philippine nationals in U.S. agencies is a part of the program. The act provided that up to 850 citizens of the Republic of the Philippines, designated by their President, might be trained in the United States by our Public Roads Administration, Army Corps of Engineers, Public Health Service, Maritime Commission, Civil Aeronautics Administration, Weather Bureau, Coast and Geodetic Survey, and Fish and Wildlife Service.

ECA regards the technical-assistance provision of its legislation as of key importance since a few thousand dollars spent in channeling technical "know-how" to the places in ERP countries where assistance is needed may have the effect of increasing vastly the recovery effect of millions of dollars spent for commodities.

Actually technical assistance through ECA may be obtained by the participating countries in two ways: (1) as a part of their (Organization for European Economic Cooperation) OEEC-approved programs where technical assistance is usually in connection with a specific plant or project and is charged to the regular ECA country allocations; and (2) special aid, not a part of the OEEC-approved programs, which are charged to the special ECA fund for technical assistance.

A preliminary survey by that agency suggests that the greatest possibilities for technical assistance through ECA lie in the following fields: industrial production; labor relations, conditions of employment, and maximum efficiency of labor; agricultural production and marketing; public administration; and economic reporting. There are five main channels through which technical information and assistance may be made to flow to recovery projects in ERP countries: (1) experts may be sent as consultants from the United States to a participating country, or from one ERP country to another; (2) individuals or teams from ERP countries may come to the United States to study methods and to acquire technical information of value in resolving difficulties in their countries; (3) individuals or delegations from one ERP country may visit other ERP countries for the purpose of studying successful practices, acquiring technical information, and exchanging experience on how to improve operations in their respective countries; (4) ERP countries may seek advice and assistance from international organizations, such as the ILO, FAO, UNESCO, and U.N.; and (5) OEEC may set up programs to bring together Europeans with Europeans, or Europeans with Americans to promote the exchange of technical assistance needed for the greatest effectiveness of the recovery program. ECA missions have been asked to discuss proposed projects with the participating countries and forward proposals to ECA in Paris and Washington.

An outstanding example of cooperation in the technical assistance field that has come out of ECA is the Anglo-American Council of Productivity, which was established on the initiative of ECA Administrator Hoffman and U.K. Chancellor of the Exchequer Cripps. In carrying out its function of increasing British industrial productivity, the Council has established a number of committees. One of these concerns plant visits and ex-

change of production techniques. It will make arrangements for American consultants to visit selected areas of British industry and advise with the British as to improved production techniques which might be adopted. It will also organize visits of British employees to study American plants. About 525 British factory managers, plant supervisors, and workers will come to the U.S. during 1949 to study American production methods. Other committees have been set up to examine and study the level of the British productive plant and power and determine whether the rate is increasing or declining in relation to the scope and magnitude of the British economy; to examine the problem of measuring productivity in the U.S. and U.K.; to look into specialized production of parts and components; and to study the types of information that would spur productivity among managers and workers.

Many types of technical assistance are now available through U.N. and the specialized agencies such as WHO, ILO, FAO, and the International Bank. Technical missions or teams of experts can be organized and sent to countries requesting such service. Certain types of equipment and supplies can be provided to meet urgent needs. In some cases nationals of member countries can be provided with opportunities for training at home or abroad. International conferences or committees can be convened for the exchange of technical information and for advice on particular subjects. Information on special studies of resources and their utilization, techniques of development, sources of information, and other questions arising in the course of the development process can be made available. As an example, the U.N. recently arranged, at the request of the Haitian Government, a technical mission to Haiti to study conditions and make recommendations concerning economic development.

The U.N. has sent out many technical missions to other countries, some advisory and some educational. Many of the missions to date have undertaken only to advise governments on technical questions; a few have been concerned exclusively with the provision of technical training; and a number have provided both technical advice to the governments and demonstrations or lectures to individuals in particular fields.

In the past, assistance through equipment and supplies has been furnished to meet particularly urgent needs, such as medical supplies and equipment, laboratory and teaching equipment, and seeds. It has also included urgently needed publications.

A substantial amount of assistance is available in the form of technical information and analyses disseminated through international clearance centers, periodic or occasional publications on particular aspects of economic development, and laboratories for the investigation of particular problems.

In addition to technical training provided through missions, the international organizations have undertaken a number of measures to increase opportunities for international training. They have obtained or provided fellowships for study abroad; made provision for in-service training of the nationals of member states; set up regional schools and courses of instruction; and have initiated arrangements for international exchange of research personnel.

UNESCO has taken steps to promote exchange of technical research personnel by setting up a Bureau for the Exchange of Persons and also by establishing Field Science Cooperation Offices at Rio de Janeiro, Cairo, Nanking, and New Delhi for contact in science and research.

In addition to the programs above it is proposed to conduct additional regional schools and seminars, particularly in the fields of social welfare and agriculture; coordinate fellowship programs to make them more effective; and study the barriers impeding the interchange of persons between and among nations.

For exchange of technical information, international conferences have proved useful. This is exemplified by the World Statistical Congress, the International Meeting on Tropical Housing, and the International Conference on Balance of Payments Statistics. A future conference is scheduled on the conservation and utilization of resources. In addition, there is an exchange of technical information through the regional commissions of Ecosoc.

The economic agreement of Bogotá assigned to the Inter-American Ecosoc the task of arranging for and providing technical assistance to member states. Plans are now in process by the IA-Ecosoc for the expansion of this work.